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UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/871,341	05/31/2001	Tim K. Keyes	RD-28408	9578

7590   06/01/2007

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EXAMINER
GRAHAM, CLEMENT B

ART UNIT	PAPER NUMBER
3692	

MAIL DATE	DELIVERY MODE
06/01/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

PTOL-90A (Rev. 04/07)

	Application No.	Applicant(s)
Office Action Summary	09/871,341	KEYES ET AL.
	Examiner	Art Unit	
	Clement B. Graham	3692	

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>27 February 2007</u>.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-26, 34, 36-45, 47-50 and 57* is/are pending in the application.

　　4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-26, 34, 36-45, 47-50, and 57* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

　　Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

　　Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

　　a)☐ All　b)☐ Some * c)☐ None of:

　　　1.☐ Certified copies of the priority documents have been received.

　　　2.☐ Certified copies of the priority documents have been received in Application No. _____.

　　　3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

　　* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
　　Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
　　Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1.   Claims 27-33, 35, 46, 51-56 has been deleted and claims 1-26, 34, 36-45, 47-50, 57
remained pending.

Claim Rejections - 35 USC § 101

2.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or
> any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and
> requirements of this title.

Claims 1, 13, 34, 44, 57, are rejected under 35 U.S.C. 101 because the claimed invention

is directed to non-statutory subject matter.

Applicant's claims are directed to an algorithm. Specifically, 1, 13, 34, 44, 57, recites
"generating", "determining" and "exporting", however these steps are mere ideas in the abstract
(i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, for example)
and abstract ideas without a practical application are found to be non-statutory subject matter.
Therefore, Applicant's claims are non-statutory as they do not produce a useful, concrete and
tangible result.

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness

rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

4.   Claims 1-57, are rejected under 35 U.S.C. 103(a) as being unpatentable over

Johnson et al (Hereinafter 6, 985, 881) in view of Johnson et al (Hereinafter Johnson 6,

985, 881).

As per claims 1-12, Johnson discloses a method for analyzing a deal that includes

portfolios of distressed financial assets including loans or other financial instruments,

using a network-based system including a server system coupled to a centralized

database and at least one client system, said method comprising the steps of

generating a cash flow data table from various data sources, the data table including

data relating to each asset included within the portfolios (see column 3 lines 15-67 and

column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17

lines 35-53 and column 23 lines 5-18) importing cash flow data from the data table into

a cash flow model;

automatically segmenting cash flow data by potential asset disposition types utilizing the cash flow model, each asset having a potential asset disposition type assigned thereto (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) determining a cash flow timing and an expense timing for each asset included within the portfolios based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model(see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

determining cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolios (see column 12 lines 1-17) performing sensitivity analysis using Monte Carlo Simulation Model to performing sensitivity analysis using Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses the Simulation Model generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events, and exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18).

Johnson fail to explicitly teach exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However exporting the results of a valuations of projections is old and well known in the art because the results would have had to further analyze to determine how build financially attractive bids.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include exporting cash flow

projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks in order to used the projections results to determine how build financially attractive bids.

As per claims 13-26, Johnson discloses a system for managing portfolio cash valuation for analog a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, said system comprising:

at least one client system;

at least one server system coupled to a database for storing data; and

a network connecting said at least one client system to said server system, wherein said server system is configured to:

generate a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolios:

import cash flow data from the data table into a cash flow model (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) automatically segment cash flow data by potential asset disposition types utilizing the cash flow model. ach asset having a potential asset disposition type assigned (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) determine a cash flow timing and an expense timing for each asset included within the portfolio based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

determine cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolio (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) perform a sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries amount of recoveries, interest rates, and expenses the Simulation Model generates a

probabilistic distribution of a possible value of the deal including risk associated with
uncertainty of future events, perform a sensitivity analysis using a Monte Carlo
Simulation Model to provide different scenarios based on a variety of assumptions
retrieved from the database including expected timing of recoveries amount of
recoveries, interest rates, and expenses the Simulation Model generates a probabilistic
distribution of a possible value of the deal including risk associated with uncertainty of
future events, and export cash flow projections into a pre-determined format to develop
financially attractive bids for the deal that takes into account a variety of foreseeable
risks. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and
column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18).

Johnson fail to explicitly teach export cash flow projections into a pre-determined
format to develop financially attractive bids for the deal that takes into account a variety
of foreseeable risks.

However exporting the results of a valuations of projections is old and well known
in the art because the results would have had to further analyze to determine how build
financially attractive bids.

Therefore it would have been obvious to one of ordinary skill in the art at the time the
invention was made to modify the teachings of Johnson to include exporting cash flow
projections into a pre-determined format to develop financially attractive bids for the
deal that takes into account a variety of foreseeable risks in order to used the
projections results to determine how build financially attractive bids.

As per claims 34, 36-43, Johnson discloses a computer program embodied on a
computer readable analyzing a deal that includes a portfolio of distressed
medium for financial assets including loans or other financial instruments, said computer
program capable to be of being processed by a server system coupled to a centralized
interactive database and at least one client system, said computer program comprising:
a code segment that receives information from various data sources;
a code segment that generates a cash flow data table from various data sources, the
data table including data relating to each asset included within the portfolio (see column
3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-

32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that imports cash flow data from the data table into a cash flow model, a code segment that automatically segments cash flow data by potential asset disposition types utilizing the cash flow model, each asset having. a potential asset disposition type assigned thereto. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that determines a cash flow timing and an expense timing for each asset included within the portfolio based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that determines cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolio(see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) a code segment that performs sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses, the Simulation Model generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events,. (see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18).

Johnson fail to explicitly teach and a code segment that exports cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However exporting.the results of a valuations of projections is old and well known in the art because the results would have had to further analyze to determine how build financially attractive bids.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include and a code segment

that exports cash flow projections into a pre-determined format to develop financially
attractive bids for the deal that takes into account a variety of foreseeable risks in order
to used the projections results to determine how build financially attractive bids.

As per claims 44-45, 47-50, Johnson discloses a centralized database for
analyzing a deal that includes a portfolio of distressed financial assets including loans or
other financial instruments, said database comprising:
data corresponding to generating a cash flow data table from various data sources, the
data table including data relating to each asset included within the portfolio portfolios
(see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column
12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)data corresponding
to importing cash flow data from the data table into a cash flow model, data
corresponding, to automatically segmenting cash flow data by potential asset
disposition types utilizing the cash flow model, each asset having a potential asset
disposition type assigned thereto portfolios (see column 3 lines 15-67 and column 4
lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-
53 and column 23 lines 5-18) data corresponding to determining a cash flow timing and
an expense timing for each asset included within the portfolio based on the potential
asset disposition type assigned thereto, the determination of the timings performed
using the cash flow model portfolios (see column 3 lines 15-67 and column 4 lines 5-27
and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and
column 23 lines 5-18)data corresponding to determining cash flow projections for the
deal based on the determination of cash flow timings and expense timings for each
asset included within the portfolio portfolios (see column 3 lines 15-67 and column 4
lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-
53 and column 23 lines 5-18) data corresponding to performing sensitivity analysis
using a Monte Carlo Simulation Model to provide different scenarios based on a variety
of assumptions retrieved from the database including expected timing of recoveries,
amount of recoveries, interest rates, and expenses, the Simulation Model generates a
probabilistic distribution of a possible value of the deal including risk associated with
uncertainty of future events. portfolios (see column 3 lines 15-67 and column 4 lines 5-

27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

Johnson fail to explicitly teach and data corresponding to exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However exporting the results of a valuations of projections is old and well known in the art because the results would have had to further analyze to determine how build financially attractive bids.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include and data corresponding to exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks in order to used the projections results to determine how build financially attractive bids.

As per claim 57,Johnsondiscloses a computer analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, the computer coupled to a database, said computer programmed to see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) generate a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolio see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) import cash flow data from the data table into a cash flow model;

automatically segment cash flow data by potential asset disposition types utilizing the cash flow model, each asset having a potential asset disposition type assigned thereto see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

determine a cash flow timing and an expense timing for each asset included within the portfolios based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model see column 3 lines

15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18) determine cash flow projections for the deal based on the determination of cash flow timings and expense timings for each asset included within the portfolio perform sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses, the Simulation Model generates a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events. see column 3 lines 15-67 and column 4 lines 5-27 and column 6 lines 5-36 and column 12 lines 10-32 and column 17 lines 35-53 and column 23 lines 5-18)

Johnson fail to explicitly teach and exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.

However exporting the results of a valuations of projections is old and well known in the art because the results would have had to further analyze to determine how build financially attractive bids.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Johnson to include exporting cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks in order to used the projections results to determine how build financially attractive bids.

Conclusion

Response to Arguments

5.   Applicant's arguments files on 2/27/07 have been fully considered but they are moot in view of new grounds of rejections.

6.   Applinant's claims 13, states "a server system configured to" and claim 44, states "data corresponding to automatically segmenting".

However the subject matter of a properly construed claim is defined by the terms that limit its

scope. It is this subject matter that must be examined. As a general matter, the grammar

and intended meaning of terms used in a claim will dictate whether the language limits the

claim scope. Language that suggests or makes optional but does not require steps to be

performed or does not limit a claim to a particular structure does not limit the scope of a

claim or claim limitation. The following are examples of language that may raise a question

as to the limiting effect of the language in a claim:

(A)   statements of intended use or field of use,

(B)   "adapted to" or "adapted for" clauses,

(C)   "wherein" clauses, or

(D)   "whereby" clauses.

This list of examples is not intended to be exhaustive. See also MPEP § 2111.04.

**>USPTO personnel are to give claims their broadest reasonable interpretation in light

of the supporting disclosure. In re Morris, 127 F.3d 1048, 1054-55, 44 USPQ2d 1023,

1027-28 (Fed. Cir. 1997). Limitations appearing in the specification but not recited in the

claim should not be read into the claim. E-Pass Techs., Inc. v. 3Com Corp., 343 F.3d

1364, 1369, 67 USPQ2d 1947, 1950 (Fed. Cir. 2003) (claims must be interpreted "in

view of the specification" without importing limitations from the specification into the

claims unnecessarily). In re Prater, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-

551 (CCPA 1969). See also In re Zletz, 893 F.2d 319, 321-22, 13 USPQ2d 1320,

1322 (Fed. Cir. 1989) ("During patent examination the pending claims must be

interpreted as broadly as their terms reasonably allow.... The reason is simply that during

patent prosecution when claims can be amended, ambiguities should be recognized, scope

and breadth of language explored, and clarification imposed.... An essential purpose of

patent examination is to fashion claims that are precise, clear, correct, and

unambiguous.

Only in this way can uncertainties of claim scope be removed, as much as possible,

during

the administrative process.").<

Where an explicit definition is provided by the applicant for a term, that definition will

control interpretation of the term as it is used in the claim. Toro Co. v. White

Consolidated Industries Inc., 199 F.3d 1295, 1301, 53 USPQ2d 1065, 1069 (Fed.

Cir. 1999) (meaning of words used in a claim is not construed in a "lexicographic

vacuum, but in the context of the specification and drawings."). Any special meaning

assigned to a term "must be sufficiently clear in the specification that any departure from

common usage would be so understood by a person of experience in the field of the

invention." Multiform Desiccants Inc. v. Medzam Ltd., 133 F.3d 1473, 1477,

45 USPQ2d 1429, 1432 (Fed. Cir. 1998). See also MPEP § 2111.01.

7.   Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Clement B Graham whose telephone number is 571-

272-6795 The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone numbers

for the organization where this application or proceeding is assigned are 571-273-8300

for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or

proceeding should be directed to the receptionist whose telephone number is 703-305-

3900.

CG

May 15, 2007

FRANTZY POINVIL
PRIMARY EXAMINER